

Message Text

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ACTION AF-08

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NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02 OPIC-03

CIEP-01 LAB-04 SIL-01 OMB-01 STR-04 CEA-01 IO-13

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FM AMCONSUL JOHANNESBURG

TO SECSTATE WASHDC 4933

INFO AMCONSUL CAPE TOWN

AMCONSUL DURBAN

AMEMBASSY GABORONE

AMEMBASSY MASERU

AMEMBASSY MBABANE

AMEMBASSY MAPUTO

AMEMBASSY PRETORIA

C O N F I D E N T I A L JOHANNESBURG 1263

E.O. 11652: GDS-3

TAGS: ELAB, SF

SUBJECT: SOUTH AFRICAN MINERS VOTE FOR STRIKE - BUT WILL THEY?

REF: JOHANNESBURG 1165

1. ARRIE PAULUS, GENERAL SECRETARY OF MINE WORKERS UNION
ANNOUNCED JULY 28 THAT MEMBERS HIS UNION HAD APPROVED
STRIKE OF GOLD AND COAL MINES BY OVERWHELMING MAJORITY OF
88 PERCENT. AT SAME TIME, PAULUS SAID EXECUTIVE COUNCIL OF
UNION HAD DECIDED TO DELAY ACTUAL STRIKE FOR UP TO SEVEN
DAYS TO GIVE GOVERNMENT AND PARTIES TO DISPUTE FINAL CHANCE
TO SETTLE ISSUE OF FIVE-DAY WEEK (REFTEL). PAULUS AND
MINISTER OF LABOR BOTH ARE TO MEET AUGUST 2 TO DISCUSS
SITUATION.

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2. THUS FAR, THERE SEEMS LITTLE ROOM FOR COMPROMISE. MINERS CONTINUE INSIST ON FIVE-DAY WEEK, CHAMBER OF MINES CONTINUES TO INSIST IT CANNOT IMPLEMENT FOR MINERS ONLY AND MUST HAVE AGREEMENT OF OTHER UNIONS, THOSE UNIONS CONTINUE TO STATE THEY CANNOT ACCEPT CONDITIONS FOR IMPLEMENTATION IMPOSED BY CHAMBER. HOWEVER, IT ALSO APPARENT THAT NONE OF PARTIES TO DISPUTE REALLY WANTS STRIKE, PARTICULARLY SINCE GOLD PRICE IS FALLING AND UNEMPLOYMENT THROUGHOUT COUNTRY IS RISING.

3. SIZE OF VOTE IN FAVOR OF STRIKE BY MINERS IS INDICATION OF STRONG INTEREST ON PART OF MINERS UNION MEMBERS IN FIVE-DAY WEEK AND THEIR UNWILLINGNESS TO COMPROMISE ON ISSUE. OTHER UNIONS INVOLVED, HOWEVER, SEEM EQUALLY STRONG IN THEIR OPPOSITION. THIS OPPOSITIN CLEARLY BASED IN LARGE PART ON FEAR OF INCREASING UNEMPLOYMENT (ALTHOUGH WHITE UNEMPLOYMENT REMAINS QUITE LOW IN MOST SECTORS) AND POSSIBLE REPLACEMENT OF WHITES BY BLACKS, PARTICULARLY SINCE CHAMBER OF MINES COUPLED AGREEMENT ON FIVE-DAY WEEK WITH DEMAND FOR INCREASED BLACK EMPLOYMENT IN POSITIONS PREVIOUSLY HELD BY WHITES. WHILE NUMBER OF WHITE JOBS INVOLVED IS VERY SMALL AND NO WHITES NOW EMPLOYED WOULD LOSE JOBS, UNION MEMBERS REFUSE TO CONCEDE ON THIS ISSUE.

4. SINCE ISSUE BETWEEN CHAMBER AND MINERS IS SINGLE ISSUE, IT DIFFICULT TO SEE POSSIBLE ELEMENTS OF COMPROMISE. EITHER MINERS GET FIVE-DAY WEEK OR THEY DO NOT. CHAMBER AT GOVERNMENT INSISTANCE COULD, OF COURSE, AGREE TO IMPLEMENT FIVE-DAY WEEK FOR ALL AND DROP DEMAND FOR FURTHER WHITE JOB FRAGMENTATION. HOWEVER, IMPLEMENTATION OF FIVE-DAY WEEK IS IN ANY CIRCUMSTANCES GOING TO BE COSTLY FOR MINES AND, GIVEN THE CURRENT MARKET PRICE FOR GOLD, CHAMBER WOULD BE VERY RELUCTANT TO CONCEDE ON THIS ISSUE, AT LEAST WITHOUT COUNTER-CONCESSIONS. GOVERNMENT COULD ALSO ATTEMPT TO FORCE UNION TO AGREE TO DROP DEMAND FOR FIVE-DAY WEEK, AT LEAST FOR TIME BEING. HOWEVER, GIVEN FACT THAT WHITE MINERS ARE POWERFUL PRESSURE GROUP WITHIN NATIONALIST PARTY STRUCTURE AND STRENGTH OF THEIR INTEREST IN FIVE-DAY WEEK AS INDICATED BY LOP-SIDED STRIKE VOTE, ANY AGREEMENT BY MINE UNION LEADERSHIP TO DROP DEMAND WOULD BE UNPALATABLE IN THE EXTREME TO UNION LEADERSHIP AND SHARPLY CONFIDENTIAL

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DIVISIVE WITHIN GOVERNMENT ITSELF.

5. IF ALL SIDES STAND PAT, STRIKE WITHIN WEEK SEEMS INEVITABLE. YET PAULUS IS CLEARLY RELUCTANT TO TAKE THIS STEP. HE WAS QUOTED IN PRESS AS SAYING HE FELT SURE ISSUE COULD "STILL BE RESOLVED PEACEFULLY" BUT GAVE NO INDICATION AS TO HOW HE THOUGHT THIS MIGHT COME ABOUT. SHOULD A STRIKE ACTUALLY OCCUR, THE POSSIBLE POLITICAL AND SOCIAL CONSEQUENCES MAY

WELL BE ENORMOUS. THE TOTAL EFFECT IT WOULD HAVE ON THE COUNTRY'S ECONOMY CANNOT YET BE FULLY ASSESSED, HOWEVER.

6. CHAMBER SPOKESMEN HAVE ALREADY INDICATED THAT, IN THE EVENT OF A STRIKE, THE MINES WOULD CONTINUE TO BE OPERATED. THIS IS THEORETICALLY POSSIBLE, BUT COULD ESCALATE THE STRIKE INTO BLACK-WHITE CONFRONTATION. WHITE MINERS, DECIDEDLY IN THE MINORITY AS TO NUMBERS, ARE NONETHELESS LARGELY IN POSITIONS OF SOME RESPONSIBILITY, AS CREW BOSSES AND SPECIALISTS (EQUIPMENT, EXPLOSIVES, ETC) MOST OF THESE POSITIONS ARE BACKED UP BY COMPETENT AND WELL TRAINED BLACK MINERS. THE REAL HAND LABOR IN THE MINES IS, OF COURSE, ALL BLACK. IN THE ABSENCE OF WHITE MINERS, WHITE SUPERVISORY STAFF PERSONNEL (NON-UNION) WOULD SIMPLY CONTINUE AS IN THE PAST, BUT WOULD PLACE MORE RESPONSIBILITY ON BLACK SPECIALISTS. ON THE OTHER HAND, THE MINES COULD NOT OPERATE WITHOUT THE BLACK LABOR FORCE, AND IT FOLLOWS THAT WHITE MINERS WOULD BE EXPECTED TO RESIST ANY TAKEOVER BY BLACKS. WHITE EMPLOYEES ON THE MINES HAVE LONG BEEN, AND STILL ARE, AT THE CORE OF RESISTANCE IN SOUTH AFRICA AS TO CONCESSIONS TO BLACKS. (THE COMPANIES DO NOT, OF COURSE, TAKE THIS POSITION).

7. IF A STRIKE IS NOT RESOLVED QUICKLY, THE EFFECT ON AN ALREADY DEFICIT BALANCE OF PAYMENTS POSITION COULD BE EXTREMELY HARMFUL ECONOMICALLY. THE MINING INDUSTRY IS THE LARGEST SINGLE CONTRIBUTOR TO THE COUNTRY'S GNP, AT OVER 16 PERCENT OF THE TOTAL. GOLD CONTINUES AS THE MOST IMPORTANT FOREIGN EXCHANGE EARNER, WHILE COAL EXPORTS ARE RAPIDLY INCREASING TO SIGNIFICANT LEVELS. REPORTEDLY, EVEN WITH THE FALL IN WORLD MARKET GOLD PRICES, SAG, TO DATE, HAS NOT BEEN CALLED UPON TO DRAW HEAVILY FROM ITS GOLD RESERVES, USING IMPORT REDUCTIONS AND IMPORT DEPOSIT SCHEMES INSTEAD AS CORRECTIVES. A PROLONGED GOLD/COAL MINE CLOSURE COULD SERIOUSLY ALTER THIS

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PLAN OVER A SPAN OF SEVERAL MONTHS.

8. THERE IS NO DOUBT THAT THE GOVERNMENT WILL BRING UP ITS HEAVIEST GUNS IN ATTEMPT TO HEAD OFF STRIKE. WHAT IT CAN ADD TO NEGOTIATIONS SHOULD BECOME CLEAR SHORTLY, AND WILL BE REPORTED AS LEARNED.

9. ON AFTERNOON OF JULY 29, UNION OF ENGINE DRIVERS, FIREMEN AND OPERATORS UNION ANNOUNCED THAT, IN EVENT OF STRIKE BY MINERS THEIR MEMBERS WOULD NOT BE ALLOWED TO OPERATE HOISTS USED FOR TRANSPORTING MEN AND MATERIALS UNDERGROUND. IF THIS THREAT CARRIED OUT, IT WOULD INCREASE PRESSURE ON ALL SIDES TO SETTLE ISSUE.

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